5. Luangmual : Mizoram
6. Mendipathar : Meghalaya
7. Bodhjung Nagar : Tripura

An amount of Rs. 550 lakhs has been released for the Ganesh Nagar Growth Centre in Nagaland.

According to available information, five Industrial Entrepreneurs' Memorandum (IEM) have been filed for food processing industries in the North Eastern States of which four IEMs pertain to the State of Assam and one to Meghalya.

Non-payment of dues by HCL

1607. SHRI DARA SINGH CHAUHAN: Will the Minister of INDUSTRY be pleased to state:

(a) whether small scale units who have supplied the material, are facing great hardships on account of non-payment by *Hindustan Cables Limited*;

(b) if so, the details of the outstanding amount pending payment, unit-wise from both the units (Roopnarainpur and Hyderabad) of HCL;

(c) what are the details of the agreed payment terms of HCL with small scale suppliers and the period of delay in each case;

(d) whether Government are considering making special funds available to HCL to mitigate the hardships of small scale units by advancing funds to HCL to pay immediately to small scale units; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) There are outstanding payments amounting to Rs. 469.52 lakhs and Rs. 469.82 lakhs from Rupnarainpur and Hyderabad units of Hindustan Cables Ltd. respectively which are overdue to the Small Scale units.

(c) Agreed payment terms of Hindustan Cables Limited with SSI and period of delay in each case are as under:—

Payment terms are within 60 days

	less than 7 months	7 to 11 months	more than 11 months	Total (Rs. in lakhs)
Rupnarainpur unit	6.49	29.84	463.19	499.52
Hyderabad unit	—	175.62	294.20	469.82

(d) and (e) The payments could not be cleared due to acute liquidity problem of the company resulting from the lack of orders. Government have formulated a package of assistance for the company in order to improve its capacity utilization and profitability. Once approved, it will improve liquidity position of the company which will enable it to liquidate payments to SSI units in a phased manner.

Entry of U.K. Tobacco Companies

1608. DR. MOHAN BABU: Will the Minister of INDUSTRY be pleased to state:

(a) whether it is a fact that tobacco companies from United Kingdom have sought entry with 100 per cent FDI

(b) the names of all such companies who want 100 per cent FDI;

(c) whether these companies have specifically offered to set up a factory in India to make cigarettes;

(d) if so, the cost of the factory and production capacity, etc;

(e) whether it is a fact that Government are giving all incentives to attract this tobacco company to India; and

(f) the reasons for changing guidelines of Foreign investment for such proposals?

THE MINISTER OF INDUSTRY (SHRI SIKANDER BAKHT): (a) to (c) The only proposal received so far for 100% Foreign Direct Investment (FDI) in

tobacco/cigarette industry is that of M/s. Rothamans of Pall Mall (International) Limited, UK. The proposal is for setting up a wholly owned subsidiary with equity investment of upto US$ 150 million to undertake the following activities:

— Purchase of tobacco for export

— Integrated agronomic development of tobacco principally in the state of Andhra Pradesh.

— Introduction of international brands from the Rothamans for the Indian consumers.

— Transfer of manufacturing technology and knowhow to the designated manufacturer in India.

— Transfer of managerial expertise to its local employees.

— To provide consulting services to its parent companies/subsidiary of the parent company on the investment climate in India.

— Sponsorship of sports events.

The company has given an undertaking to divest 26% of their shareholding to Indian partner/Indian public within 5 year.

(d) No such details have been given by the applicant.

(e) No, Sir.

(f) There has been no change in the guidelines relating to foreign investment in tobacco/cigarette industry. The existing guidelines for consideration of FDI proposals by FIPB do not stipulate any ceiling on the extent of foreign equity participation inter-alia in sectors pertaining to consumer non-durables, which include cigarettes. However, as there has been no precedent of 100% FDI approval in cigarettes so far, it was felt necessary to clarify the position vide Press Note No. 11 (1998 series) dated 27th August, 1998, that proposal for manufacture of cigarette with Foreign Direct Investment (FDI) upto 100% shall be considered by the Foreign Investment Promotion Board (FIBP) subject to the provisions relating to compulsory licensing under the Industries (Development & Regulation) Act, 1951. This has been done with a view to lending greater transparency in decision making.

Competitors of BHEL

1609. SHRI DIPANKAR MUKHERJEE: Will the Minister of INDUSTRY be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned "Search on for BHEL strategic partner" published in the Telegraph, dated 30th October, 1998;

(b) if so, the reasons for taking such a decision;

(c) the names of the global competitors of BHEL in power sector;

(d) the names of the strategic partners which Government have in mind; and

(e) the steps Government are taking to protect the commercial interest of BHEL *vis-a-vis* competitors in the wake of the aforesaid news-item?

THE MINISTER OF STATE IN THE MINISTRY OF INDUSTRY (SHRI SUKHBIR SINGH BADAL): (a) and (b) Yes, Sir. BHEL is looking for tie-ups with world leaders in technology to maintain its competitiveness. There is, however, no move to bring in a strategic partner who will have say in management.

(c) ABB (Sweden), Alsthom (France), GE (USA), Siemens AG (Germany), Ansaldo (Italy), Mistubhishi (Japan) & SKODA (Czech) are some of the global competitors of BHEL in power sector.

(d) Does not arise.

(e) Technology tie-ups only improve the commercial viability of BHEL *vis-a-vis* its competitiors.